IMPACT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON JOB SATISFACTION OF BANKS EMPLOYEES IN HARYANA

A
Synopsis
Submitted to

DESH BHAGAT UNIVERSITY, MANDI GOVINDGARH, PUNJAB
In Partial Fulfilment of the Requirement for the Award of the Degree of
DOCTOR OF PHILOSOPHY
In the field of
COMMERCE

SUPERVISOR:
Dr Manpreet Kaur
Department of Commerce & Management

Submitted by:
Rajender Kumar
Roll No 21380168002

DEPARTMENT OF COMMERCE
DESHBHAGAT UNIVERSITY, MANDI GOVINDGARH
PUNJAB, INDIA
Year 2022

DECLARATION

I hereby declare that the synopsis entitled **"Impact of Human Resource Management Practices on Job Satisfaction of Banks Employees in Haryana"** submitted for the award of Ph.D Degree in Commerce is my original work and the title of the synopsis has not formed the basis for the award of any degree, associate slip, fellowship or any other similar titles.

Date:

Rajender Kumar
Research Scholar
Department of Commerce

CONTENTS

S.N.	DESCRIPTION	PAGE NO.
1	Human resource management	1
2	Job satisfaction	3
3	Banking industry	4
4	Review of literature	5
5	Gaps in research	7
6	Need of the study	7
7	Objectives of the study	8
8	Hypothesis of the study	8
9	Research design	8
10	Research variables	9
11	Selection of Banks	9
12	Selection of Districts	10
13	Sampling design	11
14	Sources of data	12
15	Tools and techniques for data analysis	12
16	Scope of the Study	13
17	Limitation of the study	13
18	Proposed Chapters Scheme	13

INTRODUCTION

In Current era, most of the organizations mainly focus on the various human resource practices to gain the competitive advantages and handle the various challenges in the global market. These human resource practices are helpful to enhance the organizations' skills, creation, knowledge, commitment, synergy and outcomes. Hence, HRM plays a vital role in different fields to achieve the goal of organizations. (Cania, 2014; Harter et al., 2002). Human Resource Management may be defined as a set of policies, practices, and program designed to maximize personal and organizational goals. It is the process of binding and organizations together so that the objectives are achieved. "Human resource management is the planning, Organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished" (Flippo, 1980). "HRM functions are not confined to business establishments only. They are applicable to non-business organizations, too, such as education, health care, recreation, and the like" (George et al.,1997).

HUMAN RESOURCE MANAGEMENT PRACTICES

"Take out my buildings, take out my machines and all capital but leave my men with me, I will become Henry Ford again" (Ford) "How well an organisation attains, maintains and retains its human resources determines its success or failure. And the success and failure of organisation shapes the wellbeing of every person on the planet." (Werther & Davis) The above statements highlight an enterprise can only be as good as are its people. A satisfied human resource contributes to customer satisfaction. The success and failure of any enterprise lie in how efficiently the enterprise manages its workforce. The principle applies equally and perhaps more aptly to service organizations like banks. Thus, the success of banking sector depends upon its workforces. Having the right person at the right place at the right time is the fundamental object of successful human resource management.

There are several HRM practices which have the potential to improve and sustain banking performance. The proposed study include HRM Practices such as recruitment and selection, training and development, performance appraisal, and compensation as Independent Variables and Job Satisfaction as dependent variable. Following HRM Practices used by the selected banks:

RECRUITMENT & SELECTION

Recruitment is the process of discovering for prospective employees and inducing them to apply for vacant job positions in the organization. When more persons apply for vacant job positions then there will be a scope for recruiting suitable persons. it is a linkage activity bringing together those with jobs and those seeking jobs. "Recruitment is the process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization" (Hill & Filippo, 1980). To select means to pick. Selection is the process of picking up suitable candidates (out of the pool of job applications) with the requisite qualification and competence to fill vacant job positions in the organization. "Selection is the process in which candidates for employment are divided into two classes -those who are to be offered employment and those who are not" (Yoder)

TRAINING

Training is the process of enhancing the knowledge and skill of people for a definite purpose. The trainees acquire technical skills, new knowledge, problem-solving ability, etc. It also provides an awareness of the rules, procedures and methods to guide their behaviour. Training enhances the performance of employees on current jobs and prepares them for taking up new positions in future. "Training is the systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job" (Armstrong)

PERFORMANCE APPRAISAL

Performance appraisal is a process of evaluating the performance, behaviour and progress of employees in the workplace and to understand the potential of an employee for further

growth and development. Performance appraisal includes both quantitative and qualitative measures of the job performance of employees. Performance appraisal provides helpful information for the personnel decision such as salary increases, promotions, demotions, transfers, terminations and training needs. **"**Performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in matters pertaining to his present job and his potential for a better job" (Filippo).

COMPENSATION SYSTEM

Compensation may be defined as money obtained in work performance plus many types of services and benefits that employers provide to employees. Compensation consists of pay (wages and salaries), incentives and variable payments. The main goal of the compensation system is to design an effective pay system that will help to attract, retain and motivate competent and qualified employees. "The term 'compensation administration' or 'Wage and salary administration' denotes the process of managing a company's compensation programme. The goals compensation administration is to design a cost-effective pay structure that will attract, motivate and retain competent employees" (Robbins).

JOB SATISFACTION

Job satisfaction is the end feeling of a person after performing a task. It is a state of mind. The feeling would be positive and negative depending upon whether the need is satisfied or not. Job satisfaction is essential both for the individual employee and the organization. Job satisfaction is the most measured in the organization because it is the main factor of efficient and effective performance. The satisfied employee is a healthy employee and contributes more to the organization's growth. "Job satisfaction is the combination of psychological, physiological and environmental circumstances that cause a person to truthfully say "I am satisfied with job" (Hoppock, 1935).

HRM Practices play an important role to strengthen the functioning of the Banking sector. The researcher will use HRM Practices such as recruitment and selection, training

and development, performance appraisal, and compensation as Independent Variables and Job Satisfaction as the dependent variable. The proposed study is an attempt to explore the importance of HRM practices in the banking sector and also its impact on Job Satisfaction.

INDUSTRY PROFILE

For the proposed study the researcher has taken the banking sector. Banks are the main participants of the Indian financial system. All economic activities revolve around an efficient banking system. Banks work as intermediator between people having surplus funds and those requiring funds. The credit facility offered by banks enables a producer to increase production. Banks provide several facilities, products and opportunities to their customers and assure the safety of funds and valuable assets. Banks also offer insurance and investment facilities. Although banks construct no new wealth, but their borrowing, lending, and other activities facilitate the process of production, distribution, exchange activities, and consumption of wealth. In this way, banks play an essential role in the economic growth of every country. Banks also contributes to the proper utilization of the resources of every country. The banks are mobilizing the savings of the people for investment purposes. Without banks, a large portion of the country's capital would remain idle. Hence, banking is the fundamental basis of the industrial, agricultural, economic development of an economy. “A banking company as one which carries on as its principal business, the acceptance of money deposits on current account or other wise subject to withdrawal by cheque, draft or order.” (Indian Central Banking Enquiry Committee) “Banking means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand otherwise, and withdrawable by cheque, draft or otherwise.” (Banking Companies (Regulation) Act of India, 1949).

REVIEW OF LITERATURE

Chinnadurai (2014) examined the HRM practices in private banks in the Cuddalore district (Tamilnadu). The researcher had selected the following HRM practices for the purpose of the study- recruitment & selection, training, performance appraisal, compensation system and grievance handling. A sample of 260 employees was drawn from 52 private sector banks. The results indicated that most of the respondents were satisfied with the overall selected HRM practices adopted by various private sector banks.

Jain (2014) studied the importance of performance appraisal in public sector organisations. The study explored and assessed public sector organisations' existing performance appraisal practices and its effect on productivity and efficiency. For this study, a sample of 125 employees from two public sector organisations was chosen for the purpose of the study. The study showed that majority of the respondents give importance to the performance appraisal system in public sector organisations.

Monga et al. (2015) examined the level of job satisfaction of employees of the ICICI Bank Ltd. A convenient sample of employees at selected 6 branches of the ICICI Bank Ltd. in Himachal Pradesh was used. It comprised of 80 employees. The results obtained from analysis of data showed that inter-personal relationships, communication, the attitude of superiors, working conditions and teamwork have more bearing than the factor of training and development, compensation and reward, job security and role clarity in determining job satisfaction of employees of the ICICI Bank Ltd. in Himachal Pradesh.

Malla (2015) studied the impact of HR practices on job satisfaction of employees of private sector banks in Visakhapatnam City. Data was collected from 85 private sector banks employees using a structured questionnaire. It was found that the HRM practices like Training, Performance Appraisal, Compensation and Team Work have a significant

impact on job satisfaction of employees of private sector banks. On the other hand, employees Participation has no significant impact on job satisfaction of employees of private sector banks. The study recommends that private sector Banks has to construct new policies to enhance employees participation at senior level and middle level management.

Khan and Khan (2016) studied the impact of HRM practices on employee job satisfaction at Meezan bank Ltd., Karachi. The data was collected from a sample of 270 employees. The results of the study indicate that there is no impact of Recruitment & Selection on employee job satisfaction of the bank. However, other HRM practices, including Recruitment & Selection, Training & Development, Compensation, Performance Appraisal, and Rewards have a positive impact on job satisfaction. It is suggested that Adequate recruitment and selection practices need to be adopted for ensuring that hiring process is perceived to be fair and transparent.

Maheshwari and Shrivastava (2018) examined the training and development practices in the Insurance sector. The author gathered the data of 30 employees (working at an insurance company in Jabalpur) for the purpose of the study and found that training and development are essential and impact the learning outcome of employees working at an insurance company in Jabalpur but it requires should be more innovative form.

Javed et al. (2019) examined the impact of HRM practices on employees' job satisfaction in higher educational institutions. Data of 400 employees (non-teaching and teaching staff) was collected from India's private and government affiliated higher educational institutions. The study results indicate there was a significant impact of overall HRM practices on job satisfaction among non-teaching and teaching staff of both the private and government institutions.

Ray et al. (2021) examined the HRM Practices in the Banking Sector of Bangladesh. The main aim of the study is to examine Bangladeshi commercial banks' HRM practices. This research is based on secondary data. The results of the study show that government banks

are following the common HRM practice, while private banks follow more diversified HRM practices. It appears that in private banks, job design, training and development programs are better, but employees are dissatisfied with the wages structure, work pressure and job security. The study suggested that Government banks should concentrate on job design, training, and development and private banks should concentrate more on the wages & salaries structure, job security, and working pressures of employers.

Suryanarayana (2021) studied the Perceived HRM Practices and Organizational Commitment in Nepali Banking Sector. A quantitative method based on survey questionnaires was used for data collection. As a result, 269 usable samples were received for data analyses. The study results show that Safe and Good Working Conditions, EEO, Training and Development Opportunities have positive impacts on employees' affective commitment.

RESEARCH METHODOLOGY

GAPS IN RESEARCH

After reviewing the tentative literature, it has been found that lots of studies have been done on the impact of HRM practices on the job satisfaction of employees in various sectors such as the telecom sector, insurance sector, education sector etc. but there are few studies have done on the impact of HRM practices on job satisfaction of employees in the banking sector. A study on the impact of HRM practices on job satisfaction of employees in the banking sector in Haryana has not been done.

NEED OF THE STUDY

Deficiencies in the research show the requirement for more empirical research. So, the proposed study will focus on Haryana state regarding the impact of HRM practices on job satisfaction of employees by covering the following parameters: - Recruitment & Selection, Training, Performance appraisal, Compensation system etc. In the light of

above mention need the study will be entitled **"Impact of Human Resource Management Practices on Job Satisfaction of Banks Employees in Haryana"**

OBJECTIVES OF THE STUDY

- To study the level of perceived HRM practices in the selected banks.
- To study the relationship between perceived HRM practices and Job satisfaction in the selected banks.
- To measure the impact of perceived HRM practices on job satisfaction in the selected banks
- To compare the perceived HRM practices and job satisfaction in public sector and private sector banks

HYPOTHESIS OF THE STUDY

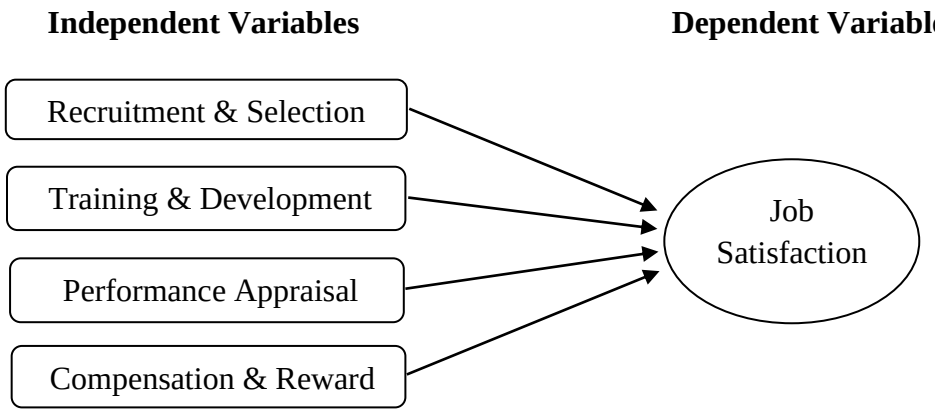
- H_{01}: There is no significant difference in perceived HRM practices in selected banks.
- H_{02}: There is no significant relationship between perceived HRM practices and job satisfaction in selected banks.
- H_{03}: There is no significant impact of perceived HRM practices on job satisfaction in selected banks.
- H_{04}: There is no significant difference in the perception of employees towards perceived HRM practices and job satisfaction in the public sector and private sector banks.

RESEARCH DESIGN

Research design is the framework that has been designed to seek answers to the research questions. It is based on a framework that provides a guide to the research being conducted in the most efficient manner. Descriptive research design will be adopted in order to address the objectives of the study. This research will be conducted in the selected public sector and private sector banks in Haryana.

RESEARCH VARIABLES

The Job satisfaction of banks employees will be taken as the dependent variable. The independent variables will be Recruitment & Selection, Training & Development, Performance Appraisal and Compensation & Reward.



SELECTION OF BANKS

Six banks including three public sector and three private sector banks are being chosen for the purpose of the study on the basis of highest number of Branches as per the report of RBI as on 31st March 2021 that are Punjab National Bank, State Bank of India, Canara Bank (Public Sector Banks), HDFC Bank, Axis Bank, and ICICI Bank (Private Sector Banks). Table-2 depicts three public sector and three private sector banks which are being selected for the purpose of the study.

Table-1

Selected three Public Sector and three Private Sector banks on the basis of highest no. of Branches in Haryana

S.N.	Public Sector Banks	No. of Branches
1	Punjab National Bank	850
2	State Bank of India	650
3	Canara Bank	365
S.N.	**Private Sector Banks**	**No. of Branches**
1	HDFC Bank Limited	355
2	AXIS Bank Limited	279
3	ICICI Bank Limited	229

Source: https://www.rbi.org.in/

SELECTION OF DISTRICTS

Four districts out of twenty-two districts in Haryana state are being chosen for the purpose of the study on the basis of highest number of branches of public sector banks and private sector banks in a district as per the report of RBI as on 31st March 2021 that are Gurgaon, Karnal, Faridabad and Sonipat. Table-2 shows four districts which are being selected for the purpose of the study.

Table-2

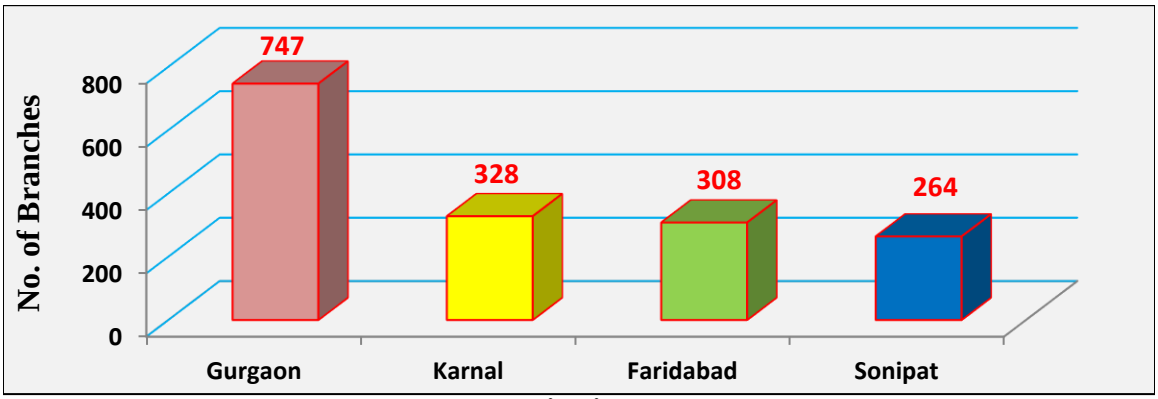
Selected four districts on the basis of highest no. of branches of Public Sector and Private Sector Banks in a district.

S.N.	State	District	No. of Branches
1	Haryana	Gurgaon	747
2	Haryana	Karnal	328
3	Haryana	Faridabad	308
4	Haryana	Sonipat	264

Source: https://www.rbi.org.in/

Graph-2

Selected four districts on the basis of highest no. of branches of Public Sector and Private Sector Banks in a district.



SAMPLING DESIGN

The population of the study covers all the bank employees of managerial level and clerical level working presently in the public sector and private sector banks in Haryana. A sample size of 240 employees will be selected using the convenience sampling technique for the purpose of the study.

SELECTION OF EMPLOYEES

Total sample size will be 240 employees (managerial & clerical staff) for the purpose of the study, included 120 employees from public sector banks and 120 employees from private sector banks.

Table-3

Selection plan of sample size for the purpose of the study from Public Sector and Private Sector Banks in Haryana

SN	Banks		District & Bank wise Employees				Total Employees
			Gurgaon	Karnal	Faridabad	Sonipat	
1	Punjab National Bank	Public Sector	10	10	10	10	40
2	State Bank of India		10	10	10	10	40
3	Canara Bank		10	10	10	10	40
						Total	**120**
1	HDFC Bank	Private Sector	10	10	10	10	40
2	AXIS Bank Limited		10	10	10	10	40
3	ICICI Bank Limited		10	10	10	10	40
						Total	**120**
(Area wise employees covering managerial & clerical staff)						**Grand Total**	**240**

SOURCES OF DATA

Primary and Secondary data will be used for the purpose of the study. Primary data will be collected for the purpose of the study by using a self-structured and standard structured questionnaire. Secondary data will be collected for the purpose of the study from the Reports and publications of Reserve Bank of India, reports on Human resource in newspapers, journals, textbooks, and web sites.

TOOLS AND TECHNIQUES FOR DATA ANALYSIS

The data analysis will be based on the research objectives. First of all, the collected data will be coded in Microsoft Excel. After that, coded data will be exported to SPSS. Data analysis will be done with the help of SPSS by using appropriate statistical tools like percentage, mean, standard deviation, correlation, regression, ANOVA etc.

- Descriptive statistics will be used for the study of variables of the overall population. It will help to explain the characteristics of the sample through methods like percentage, mean and standard deviation and through tables and graphs.
- To explore the relationship between independent and dependent variables, the Pearson Product Moment Correlation coefficient will be used.
- To explain the impact of independent variables on the dependent variable, Multiple Regression will be used.
- To compare the variables, ANOVA will be used.

SCOPE OF THE STUDY

Haryana state has 18 public sector banks with 3051 branches and 22 private sector banks with 1425 branches. three public and three private sector banks in Haryana state are being selected for the purpose of the study. The study intention is to help the banking industry to draw up plans for enhancing the job satisfaction of their employees.

LIMITATIONS OF THE STUDY

- For the purpose of the study selected HRM practices are only considered.
- The study is being conducted only in selected six Banks in Haryana.

PROPOSED CHAPTER SCHEME

Chapter	Description
I	Conceptual framework of selected HRM practices, Job Satisfaction and selected banks
II	Review of literature
III	Research methodology
IV	Analysis and interpretation of data
V	Findings, summary of conclusion & suggestions
	Bibliography

REFERENCES

Journals and Magazines:

- Chinnadurai, P. (2014). HR practices in private sector banks- an empirical evidence. *International Journal of Marketing, 3(4), 30-37.*
- Jain, V. K. (2014). Performance appraisal as a sub-system of HRD – a case study. *IOSR Journal of Business and Management, 16, 26-34.*
- Javed, S., Javed, R., Ahmed, N., & Anjum, D. (2019). Human resource management practices and its impact on job satisfaction among employees in higher education sector. *International Journal of Marketing and Human Resource Management, 10(2), 1-12.*
- Khan, H., & Khan R.A. (2016). Impact of human resource management practices on employee job satisfaction at meezan bank limited, Karachi. *Journal of Business Administration and Management Sciences, 2(1).*
- Malla, J. (2015). Impact of HRM practices on job satisfaction: evidence from private sector banks in Visakhapatnam City. *International Journal of Business Quantitative Economics and Applied Management Research.*
- Maheshwari, D. and Shrivastava, S. (2018). A Study on Training and Development Practices in the Insurance Sector. *International Journal for Research Trends and Innovation.* 3(2), 49-53.
- Monga, A., Verma, N., & Monga, O. P. (2015). A study of job satisfaction of employees of ICICI bank in Himachal Pradesh. *Human Resource Management Research, 5(1), 18-25.*
- Ray, S., Bagchi, S., Alam, M. S., & Luna, U. S., (2021). HRM practices in the banking sector of Bangladesh: a critical review. *IOSR Journal of Business and Management, 23(7), 1-7.*
- Suryanarayana, A. (2022). Perceived HRM practices and organizational commitment in Nepali banking sector: mediating role of person-organization fit. *Review of Integrative Business and Economics Research, 11 (11).*

Books:

- Aswathappa, K. (2017). Human Resource Management. Tata McGraw Hill Education Private Limited, New Delhi.

- Gupta C. B. (2016). Human Resource Management. Sultan Chand & Sons, New Delhi.
- Gupta, S. K. & Joshi R. (2020. Human Resource Management. Kalyani Publications, New Delhi.
- Shekhar, K. C. & Shekhar, L. (2019). Banking Theory and Practice. Vikash Publication House Pvt. Ltd. Noida.
- Varshney P. N. (2019) Banking Law and Practice. Sultan Chand & Sons, New Delhi.

Reports:

- Annual Reports, Reserve Bank of India.
- Statistical Tables Relating to Banks in India, Reserve Bank of India.

Websites:

- Reserve Bank of India (rbi.org.in)
- State Bank of India (onlinesbi.com)
- Bank - Wikipedia